
OLR Bill Analysis

SB 596

AN ACT CONCERNING THE DUTIES OF THE CONNECTICUT HEALTH INSURANCE EXCHANGE.

SUMMARY:

This bill requires the Connecticut Health Insurance Exchange to negotiate premiums with health carriers (e.g., insurers and HMOs) offering or seeking to offer “qualified health plans” through the exchange. By law, these plans must offer specified benefits at two or more coverage levels. It appears that if a participating insurer offers the plans outside of the exchange, it would be required to charge the negotiated premiums for these plans as well.

EFFECTIVE DATE: Upon passage

Connecticut Health Insurance Exchange

The exchange was established pursuant to the federal Patient Protection and Affordable Care Act (PPACA). The exchange, which will go into operation in 2014, will be an online marketplace where individuals and small businesses will be able to compare and purchase qualified health plans offered by health carriers. Under the act, exchanges must, among other things, implement procedures to certify, recertify, and decertify qualified health plans.

State law authorizes the exchange to certify a health benefit plan as a qualified health plan eligible to participate in the exchange if, among other things:

1. the plan provides the federally designated essential health benefits and
2. the insurance commissioner has approved the premium rates and contract language.

To be eligible to offer qualified health plans through the exchange, a health carrier must:

1. be licensed and in good standing to offer health insurance in Connecticut;
2. offer through the exchange at least one plan at the “silver” coverage level (covering 70% of the cost of essential health benefits) and one at the “gold” coverage level (covering 80% of the cost of essential health benefits) through each exchange in which it participates (i.e., the exchange for individuals and the exchange for small employers); and
3. charge the same premium rate for each qualified health plan whether offered (a) through the exchange or outside it or (b) directly by the carrier or through an insurance producer.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 11 Nay 8 (02/05/2013)